

CALIFORNIA STATE MILITARY DEPARTMENT

Contracting 101

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SCOPES OF WORK:

- IF YOU DON'T HAVE A SCOPE, YOU CAN'T HAVE A CONTRACT
- IF YOU DON'T **SPECIFICALLY** STATE IT IN THE SCOPE, **YOU** ARE THE ONE TO BLAME IF IT ISN'T RIGHT
- CONTRACTORS MAKE THEIR PROFIT BY EXPLOITING POOR SCOPES OF WORK

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SCOPES OF WORK:

- YOU CANNOT ALLOW CONTRACTORS TO PERFORM WORK THAT IS NOT SPECIFICALLY DESCRIBED IN THE SCOPE OF WORK.
- YOU CANNOT ALLOW CONTRACTORS TO PERFORM ANY WORK WITHOUT A VALID, SIGNED CONTRACT.

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PUBLIC BIDS:

- THE CONTRACT REQUEST MUST BE IN OUR OFFICE AT LEAST 90 DAYS PRIOR TO WHEN YOU NEED THE CONTRACT TO START.
- CONTRACTS THAT REQUIRE DGS APPROVAL NEED TO BE IN OUR OFFICE AT LEAST 120 DAYS PRIOR TO THE START OF THE CONTRACT

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PUBLIC BIDS:

WHY DO WE NEED SO MUCH TIME?

- 1 WEEK TO PROCESS THROUGH THE ACCOUNTING SYTEM AND RECEIVED IN OUR OFFICE.
- 1 WEEK TO PREPARE THE BID PACKAGE AND IRON OUT ANY PROBLEMS WITH THE REQUEST (THERE ARE ALWAYS PROBLEMS)
- 4 WEEKS TO BE ADVERTISED ON BIDSYNC
- 1 WEEK TO HOLD THE BID WALK

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PUBLIC BIDS:

WHY DO WE NEED SO MUCH TIME?

- 2 WEEKS TO ALLOW THE CONTRACTORS TO ASK QUESTIONS AND PREPARE A BID PACKAGE
- 1 WEEK TO PREPARE THE CONTRACT AND SEND IT TO THE WINNING CONTRACTOR VIA SNAIL MAIL
- 2 WEEKS TO GET THE CONTRACT BACK FROM THE CONTRACTOR, PROCESS THE CONTRACT THROUGH ACCOUNTING AND FORWARD THE SIGNED CONTRACT BACK TO THE CONTRACTOR

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PUBLIC BIDS:

WHY TO WE NEED SO MUCH TIME?

- SERVICE CONTRACTS THAT REQUIRE DGS APPROVAL (ANYTHING OVER \$50,000.00) TYPICALLY TAKE 60 TO 90 DAYS FOR APPROVAL AND RETURNED TO THE DEPARTMENT.

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PUBLIC BIDS:

WHY DO WE NEED SO MUCH TIME?

- ALL OF THESE TIME FRAMES ASSUME THAT THE WINNING CONTRACTOR PROVIDES ALL OF THE DOCUMENTATION IMMEDIATELY.

THAT NEVER EVER HAPPENS

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PUBLIC BIDS:

WHAT ARE THE ADVANTAGES OF THE PUBLIC BID?

- AFTER YOU PREPARE THE SCOPE OF WORK AND SUBMIT THE REQUEST, THE CONTRACTING OFFICE WILL ADVERTISE THE PROJECT AND SECURE THE GOODS/SERVICE.
- THEORETICALLY, THE CMD WILL RECEIVE THE BEST PRICE.
- WE CAN AWARD THE CONTRACT AS LONG AS THERE IS COMPETITION AND THE PRICE IS WITHIN BUDGET.

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PUBLIC BIDS:

WHAT ARE THE DISADVANTAGES OF THE PUBLIC BID?

- IT'S A LOW BID SITUATION, YOU MAY NEVER KNOW THE QUALITY OF THE CONTRACTOR
- SOME CONTRACTORS ARE EXPERTS ON LOW BALLING THE BID AND FLOODING YOU WITH CHANGE ORDERS
- IT TAKES A LONG TIME TO AWARD THE CONTRACT

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PUBLIC BIDS:

If you use the public bid option, it is a waste of your time and your vendors' time to request quotes.

WE CAN'T USE THEM

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SMALL BUSINESS/DISABLED VETERAN ENTERPRISE OPTION:

- IT IS OUR PREFERRED METHOD OF DOING BUSINESS
- IT LITERALLY ALLOWS US TO ISSUE A CONTRACT WITHIN A COUPLE OF DAYS
- IT ALLOWS US TO “SOLICIT” OUR CONTRACTORS
- SEALED BID RULES DON'T APPLY

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SMALL BUSINESS/DISABLED VETERAN

ENTERPRISE OPTION:

- Requires a minimum of 2 state certified small business quotes

OR

- Requires a minimum of 2 state certified disabled veteran business enterprise quotes

YOU CANNOT MIX THE TWO TYPES

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- For less than \$50,000.00, you may solicit a minimum of two small business quotes; if it is more than \$50,000.00, we will determine the method.
- For DVBES, you may solicit a minimum of two quotes up to \$100,000.00 for Services and Public Works. If it is more we will advertise to DVBES to secure more competition.

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HOW DOES THE SMALL BUSINESS/DISABLED VETERAN ENTERPRISE OPTION WORK?

- You must ensure the contractors are State certified SB/DVBEs before you solicit quotes. The website is www.bidsync.com.
- If licensing is required for the work you must ensure the contractors are properly licensed per the California State Licensing Board - <https://www2.cslb.ca.gov/OnlineServices/CheckLicense/CheckLicense.aspx>.

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HOW DOES THE SMALL BUSINESS/DISABLED VETERAN ENTERPRISE OPTION WORK?

- You must rotate contractors to spread the work to different SB/DVBEs whether it is a purchase order or contract – goods or service/public works project.
- We will ensure compliance by tracking the contract awards per contractor.

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HOW DOES THE SMALL BUSINESS/DISABLED VETERAN ENTERPRISE OPTION WORK?

- After you receive the quotes, forward a OTAG Fm 37-3-4B (Contract Request), a scope of work, a copy of the SB/DVBE certifications, copies of licenses if applicable and the copies of the the quotes to us.
- If all documentation is in compliance, i.e. a satisfactory scope of work, SB/DVBE certifications and properly licensed we can issue the contract immediately.

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HOW DOES THE SMALL BUSINESS/DISABLED VETERAN ENTERPRISE OPTION WORK?

- You can also choose to leave the bid process to us. All you have to do is send us the OTAG Fm 37-3-4B (Contract Request) and the scope of work. We will find the bidders for you. The drawback is that it takes much longer.

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QUESTIONS